

Due Date: March 28, 2022 at 12:00 p.m.

**IN THE UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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In re: )  
CELSIUS NETWORK LLC, *et al.*<sup>1</sup>, ) Chapter 11  
Debtors. ) Case No. 22-10964-MG  
            ) )  
            ) (Jointly Administered)  
            ) )

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**STATEMENT OF THE NEW JERSEY BUREAU OF SECURITIES REGARDING  
REGULATORY COMPLIANCE AND RESERVATION OF RIGHTS**

The New Jersey Bureau of Securities (the “Bureau”), by and through its undersigned counsel, files this statement (the “Statement”) as requested by the Court at the hearing on March 23, 2023 (the “Hearing”) on the *Debtors’ Motion for Entry of an Order (I) Authorizing and Approving Certain Bid Protections for the Proposed Plan Sponsor and (II) Granting Related Relief* (the “Bidding Protections Motion”) and respectfully states the following:

1. At the Hearing, the Court sought a statement, to the extent possible, regarding the position of regulators on the status of regulatory compliance issues related to the proposed plan terms and NovaWulf. Digital Management, LP (“NovaWulf.”)
2. At present, since the plan and disclosure statement have not been filed<sup>2</sup>, the Bureau is without sufficient information to assess whether the plan and the activities of NewCo (as defined

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Celsius Network LLC (2148); Celsius KeyFi LLC (4414); Celsius Lending LLC (8417); Celsius Mining LLC (1387); Celsius Network Inc. (1219); Celsius Network Limited (8554); Celsius Networks Lending LLC (3390); Celsius US Holding LLC (7956); GK8 Ltd. (1209); GK8 UK Limited (0893); and GK8 USA LLC (9450). The location of Debtor Celsius Network LLC’s principal place of business and the Debtors’ service address in these chapter 11 cases is 50 Harrison Street, Suite 209F, Hoboken, New Jersey 07030.

<sup>2</sup> It is expected that the Debtors will file the plan and disclosure statement by March 31, 2023. The Debtors have filed summaries of the plan including a presentation outlining plan terms (See Doc. 2066 and Doc. 2151, Exhibit C).

in the Bidding Protections Motion) and its proposed manager NovaWulf, and the various proposed partner entities, will achieve full regulatory compliance with NJ securities law or other New Jersey law.

3. The Bureau appreciates the efforts of the Debtors, the official committee of unsecured creditors (the “Committee”) and NovaWulf to reach regulatory compliance and the plan terms outlined thus far show that there is a path towards regulatory compliance.<sup>3</sup> In particular, the Debtors have shared documents listing various licenses already held by the proposed Figure entity partners. The Bureau further understands other required licenses and approvals for the involved entities are in place or efforts are being made to obtain them.

4. However, at a minimum, until the actual plan and disclosure statement are filed and the Bureau has had an opportunity to review them, the Bureau cannot assess whether the plan, NewCo, NovaWulf and the partner entities will be compliant with New Jersey laws and regulations.

5. The Bureau reserves all of its rights to assess compliance issues and nothing herein should limit such rights or be construed against the Bureau’s interests or authority.

Respectfully submitted,

**McELROY, DEUTSCH, MULVANEY  
& CARPENTER, LLP**

Dated: March 28, 2023

/s/ Jeffrey Bernstein

Jeffrey Bernstein  
570 Broad Street  
Newark, NJ 07102  
Telephone: (973) 565-2183  
Facsimile: (973) 622-5314  
E-mail: jbernstein@mdmc-law.com

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<sup>3</sup> The Bureau notes that the Debtors and the Committee have conducted multiple calls with the Bureau and other state regulators to provide an outline of proposed plan terms and answer questions.

**-AND-**

Nicole Leonard, Esq.  
225 Liberty Street, 36th Floor  
New York, NY 10281  
Telephone: (973) 565-2048  
E-mail: nleonard@mdmc-law.com

*Counsel for the New Jersey Bureau of Securities*